



CITY COUNCIL

Finance Committee

Meeting Report Monday, June 1, 2009

Committee Members Attending: J. Waltman, M. Baez,

Others Attending: L. Kelleher, C. Kanezo

The Finance Committee meeting was called to order by Mr. Waltman, chair, at the conclusion of the Committee of the Whole meeting.

ORDINANCE ADDRESSING INCREASING FEES IN PUBLIC WORKS ENGINEERING AREAS

Ms. Kelleher stated that she and Mr. Hottenstein reviewed the Maximus report and prepared recommended fee increases for various areas. She stated that at the May Work Session City Council requested that fee increases be forwarded in individual groups. She inquired when the administration would be forwarding the first ordinance to increase the fees as recommended. Mr. Kanezo stated that the first ordinance increasing Public Works Engineering fees would be introduced on Monday, June 8th.

Update: Blue Ribbon Panel

Mr. Kanezo stated that he was unaware of the Blue Ribbon Panel's activities.

Ms. Kelleher stated that the Blue Ribbon Panel has divided into two (2) committees; one to address operational areas and the second to review and address state issues. She stated that the operations committee has been in contact with the Council office and requested various pieces of information such as the external audits for the Reading Public Library, the Maximus Fee Study, the City's Comprehensive Plan, overtime and staffing levels of Police and Fire Department, etc. This information has been compiled by the Council office and forwarded to the Operation's Committee. The Committee is expected to meet sometime before the next meeting of the full Blue Ribbon Panel meeting in July.

2010 Budget Preparation

Mr. Kanezo stated that the Budget Committee had three (3) meetings to define revenue based on no tax increases and set expenses accordingly.

Mr. Waltman noted that as the Administration is predicting a 10-15 million dollar gap by the end of 2009, the Administration should be working to identify adjustments to the 2009 budget that can reduce that large gap. Mr. Kanezo replied that the Administration is not working to identify remedies or corrections to the 2009 budget that will address the expected budget gap. He stated that the City plans to retain a consultant to review the AP or AR operations.

Mr. Waltman inquired why the Finance Director and Managing Director are not at the Finance meeting to discuss these critical budget issues.

Mr. Kanezo did not respond.

Mr. Waltman noted the need for the Administration to work to address alternatives as Act 47 will not solve the City's financial problems alone. He noted the need for the Administration to be preparing now and working to reduce the projected 2009 budget gap. He noted a variety ways that the projected gap could be lessened and questioned why the Administration is not taking appropriate steps.

Mr. Waltman stated that as the Finance Director and Managing Director are not in attendance it is not worth discussing the remaining items concerning the 2010 budget.

CDBG Allocation Tracking

Mr. Waltman noted the need to track and measure unused or leftover CDBG allocations. He stated that in the past these allocations were not tracked, which culminated in several million dollars that needed to be spent in a very speedy fashion. He stated that at times projects come in under budget or for some reason projects that are funded are not undertaken which results in unused CDBG funding. He stated that these unused dollars could be more responsibly expended during the calendar year when various community needs are identified. He inquired if the Community Development department is seeking the assistance of Triad to track and monitor these unused dollars as it has been done in the past.

Mr. Mayes replied that he will be working with Triad in the near future to begin monitoring unused CDBG funds. He agreed that the method used in the past to track and spend these unallocated funds was problematic causing the City to make several fire truck purchases just to use the money quickly. He agreed that this money could best be spent on community projects rather than fire trucks. Mr. Mayes distributed a sheet covering CDBG allocations between 2005 and present showing the activity, the

allocation and the amount spent. He stated that after reviewing the sheet it seems \$700,000 is available for other community projects.

Ms. Kelleher suggested that the Community Development department purchase 118 West Elm St. at the upcoming Free and Clear Sheriff Sale. She stated that this property is on the Blighted Property Review Committee's target list for the 2008-2009 calendar year. She stated that it would be much less costly to purchase the property at the Free and Clear tax sale then it would to go through the costly and lengthy eminent domain process.

Mr. Waltman also noted his past request to dedicate funding towards the facade improvements at the artifacts bank. Ms. Kelleher inquired when the Lincoln Wyndham Hotel loan payments funded by the CDBG budget will be complete. Mr. Mayes stated he will report that after researching.

Mr. Waltman noted that the residuals from the CDBG budget generally fall into three (3) buckets, however, past projects funded show that the leftover money need not be spent in the same service areas.

Mr. Mayes stated that he will report back next month on the available CDBG allocations.

The Finance Committee meeting adjourned at 5:50pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP ISSUES

- Recommendation for contract award for independent contractor to undertake collection activities as required by Resolution 131-2008 – first report from contractor due June 1st.
- Report – Blue Ribbon Panel meeting & panel focus areas
- 2010 Budget Summit Sat June 20th 9 a.m.
 - provide support documentation one week in advance
 - define core services
 - Work Plans – provide copies to Auditor and Council
 - Poll to identify Council's position on various tax, fee, fine increases
- Update on Utility Billing issues & hiring Utility Billing Manager
- Maximus Recommendations
 - Ordinance to enact increases
- Report unexpended CDBG funds